

2017-18



BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA
AN ISO CERTIFIED COMPANY

38th Annual Report





BOARD OF DIRECTORS

Ashok Kumar Gupta	: Chairman & Managing Director
Siddharth Gupta	: CEO & Managing Director
Shalini Chandra	: Executive Director
Ashok Kumar Kapoor	: Independent and Non-executive Director
Praveen Singh	: Independent and Non-executive Director
Tanmay Deva	: Independent and Non-executive Director

Company Secretary & Compliance Officer

R.K. Singh

KEY MANAGERIAL PERSONNEL

Ashok Kumar Gupta	: Chairman & Managing Director
Siddharth Gupta	: CEO & Managing Director
Shalini Chandra	: Executive Director
R.K. Singh	: Company Secretary
Jai Singh	: Chief Finance Officer

REGISTERED OFFICE

A-1, & A-5, Industrial Estate
Varanasi -221 106 U.P.
Tel.# : 0542-2370161 - 2370164
Fax.# : 0542-2370165 / 2370214
E-mail info@banarasbead.com
Website: www.banarasbead.com

E-MAIL & WEBSITE FOR INVESTOR

E-mail : investor@bblinvestor.com
Website : www.bblinvestor.com

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

G D Dubey & Associates
Chartered Accountants,
Firm No. 009836C
Varanasi

E-VOTING SCRUTINIZER

Ajay Kumar Jaiswal
Practicing Company Secretary
N-10/58-J-32, Lane No.4,
Sriram Nagar Colony
Near Manduadih Rly Station
Varanasi-221010 UP

UNITS

A-1, A-5 Industrial Estate, Varanasi
Tandia, G.T. Road, Varanasi

BANKERS

Yes Bank Ltd.
Bank of Baroda
Axis Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II,
New Delhi - 110 020
Ph: - 26387281/82/83 Fax:- 26387384

email:- info@masserv.com
website : www.masserv.com

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NOTICE

NOTICE is hereby given that 38th Annual General Meeting of the Members of Banaras Beads Limited will be held at Registered Office of the Company at A-1, Industrial Estate, Varanasi - 221106 on Thursday the 16th August, 2018 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Financial Statement

To receive, consider and adopt the financial statement of the Company for the year ended March 31, 2018 including the audited Balance Sheet as at March 31, 2018 the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.

Item No. 2 – Re-appointment of Director

To appoint a director in place of Shri Ashok Kumar Gupta (DIN: 00016661), who retires by rotation and being eligible, offers himself for re-appointment as director.

Item No. 3 – Ratification of Re- appointment of Statutory Auditors. `

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

RESOLVED THAT the pursuant to the provision of section 139 and all other applicable provisions, if any, of Companies Act 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s G D Dubey & Associates, Chartered Accountants (Firm Registration number 009836C), as Auditors of the Company to hold office from the conclusion of this Annual General meeting to till the conclusion of the 42th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

Item No. 4. RE-APPOINTMENT OF SHRI ASHOK KUMAR GUPTA (DIN 00016661) AS MANAGING DIRECTOR:

To consider and if thought fit to pass with or without modification the following Resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 2(54),2(78), 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Mr. Ashok Kumar Gupta (DIN 00016661) be and is hereby re-appointed as the Managing Director of the Company for a further period of five years, w.e.f. 1st April' 2019 on the terms and conditions contained in the agreement and on the remuneration set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

“RESOLVED FURTHER THAT Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

By Order of the Board of Directors
For BANARAS BEADS LIMITED,

Place : VARANASI
Date : 31. 05. 2018

(R.K.SINGH)
Company Secretary

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 of the Notice, is annexed hereto alongwith the relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form duly completed and signed must be deposited with the Company at its Registered Office not later than forty-eight hours before the time of commencement of the meeting.
3. **The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 10th August, 2018 to Thursday 16th August, 2018 (both days inclusive).**
4. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slips and proxy form for attending the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

8. MANDATORY DEMAT TRANSFER OF SHARES -

Pursuant to Listing Regulations namely SEBI (LODR) FOURTH AMENDMENT, REGULATIONS 2018, **TRANSFER** of securities shall not be processed unless securities are held in dematerialized form with a depository.

In other words, request for transfer of shares held in physical form will not be processed after 04.12.2018 and it shall be mandatory to demat the securities for getting the shares transferred. The INE number of the company is INE655B01011.

The members holding shares in physical form are requested to dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

M/s Mas Services Limited (RTA of Banaras Beads Limited)

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020

Ph:- 26387281/82/83 Fax:- 26387384, Email: - info@masserv.com, website: www.masserv.com.

9. Members are requested to make all query /correspondence directly with above Registrar of the company for transfer, transmission of shares, duplicate issue of share certificates, record in change of address and for other purposes.

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.bblinvestor.com or RTA website www.masservs.com. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Mas Services Limited ("RTA") in case the shares are held by them in physical form.

11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with **Mas Services Ltd.** in case the shares are held by them in physical form.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, **Mas Services Ltd.** in case the shares are held by them in physical form.

13. If members not update their active **bank details** including New Bank account and other detail to their **Depository Participant then their dividend amount cannot be sent to their bank account through NECS directly and as per SEBI circular no. CIR/MRD/DP/10/2013 dt. 21.03.2013, if NECS failed then physical payment instrument to be issued to the investor and on the face of the same bank account detail to be mentioned (Including de-activated/closed bank account if any). To avoid such un-necessary problem and get dividend timely, shareholder must update your bank account with depository.**

14. The members holding shares in physical form are requested to send their change of address, **intimate his mobile number** and other detail to the above RTA of the company or at Registered office of the company / **E-mail- investor@bblinvestor.com OR rksingh@banarasbead.com.**

15. As per provisions of Investor Education and Protection Fund of Companies (Declaration and payment of dividend) Rules 2014, the Company will upload information regarding unpaid and unclaimed amounts lying with company to the MCA and Company website. The Company has uploaded the details of unpaid and unclaimed amounts of dividends lying with the Company for F.Y. 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and for F.Y. 2016-17 (upto last AGM) at company's website and Ministry of Corporate Affairs website.

16. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Members are requested to note that, pursuant to section 124 and other applicable provisions of the Company Act, 2013, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Members who have not yet encashed their dividend warrant(s) pertaining to the Interim and final dividend for the financial year 2011-12 onwards for the Company, is requested to lodge their claims with **company immediately or RTA of the company alongwith self-attested copy of PAN and cancel Cheque.** It may be noted that the unclaimed dividend to be transferred to IEPF as under-

Interim Dividend for the financial year 2011-12 declared by the Company on September 24, 2011 **can be claimed by October 10, 2018.**

Final Dividend for the financial year 2011-12 declared by the Company on August 10, 2012 **can be claimed by October 30, 2019.**

Dividend for the financial year 2012-13 declared by the Company on February 20, 2013 **can be claimed by March 2, 2020.**

Similarly further years dividend will be transferred to IEPF account after completing seven years accordingly.

Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2017-18 will also be available on the Company's website viz. www.bblinvestor.com

17. E-VOTING:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

The e-voting facility will be available during the following voting period:

Commencement of e-voting
August 13, 2018 at 09.00 a.m. IST
Cut of date for remote e-voting

End of e-voting
August 15, 2018 at 5.00 p.m. IST
09/08/2018



The instructions for members for voting electronically are as under:-

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

1. Open the attached PDF file “**e-Voting.pdf**” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
7. Select “EVEN” of (**Banaras Beads Limited**). Members can cast their vote online from **August 13, 2018 (09:00 am)** till **August 15, 2018 (5:00 pm)**.
Note: e-Voting shall not be allowed beyond said time.
8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (workroc@gmail.com) with a copy marked to evoting@nsdl.co.in.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date 9th August, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

- i. Initial password is provided in the enclosed attendance slip: EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (1) to Sl. No. (10) above, to cast vote.

Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 9th August, 2018, can obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, info@masserv.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

C. Other information:

- o Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- o Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.
- o The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.banarasbead.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 38th AGM of the Company on August 16, 2018 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

By Order of the Board of Directors
For BANARAS BEADS LIMITED,

Place : VARANASI
Date : 31.05.2018

(R.K.SINGH)
Company Secretary



Additional information of directors recommended for appointment/re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

Name	: Shri Ashok Kumar Gupta
Fathers name	: Late Kanhiya Lal Gupta
Date of Birth	: 07.07.1948
Nationality	: Indian
Qualifications	: Graduate
Date of appointment on the board	: Appointed as Managing Director in the company on 01.04.2014 under the Companies Act 2013 for the period 01.04.2014 to 31.03.2019.
Permanent Account No.	: AACPG7281R
Director Identification No.	: 00016661
List of directorship held in other Company(s)	: i) M/s BBL Beads Ltd. ii) M/s Mangalam Hospitality India Limited iii) M/s Banaras Beads Business Pvt. Ltd.
Number of shares held in the company	: 863402
Chairperson of Board committees	: Share Transfer Committee
Disclosure of relationships between directors	: Mr. Siddharth Gupta, CEO & Managing Director is son of Shri Ashok Kumar Gupta.

EXPERIENCE:

Shri Ashok Kumar Gupta Science Graduate from Banaras Hindu University, Varanasi and Diploma in Business Management.

EXPLANATORY STATEMENT:

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4. RE-APPOINTMENT OF SHRI ASHOK KUMAR GUPTA AS MANAGING DIRECTOR:

The tenure of Mr. Ashok Kumar Gupta as Managing Director will be expired on 31.03.2019. He will attain the age of 70 years in July, 2018 and he may further be re-appointed as Managing Director under provision of 196 of Companies Act, 2013 by Members through **Special Resolution** and as per provision 196 (2) the re-appointment may be made one year before expiry of tenure.

Mr. Ashok Kumar Gupta is Science Graduate and having good health and vast knowledge of Glass Beads business including manufacturing and export. He is having experience of more than fifty years and traveled around whole the world for export business of the company. He had got personally several followings awards and recognition from various organizations.

- U.P. Exporter Gold Card from UP Government.
- Udyami Samman -2010 by **Zee News**, Uttar Pradesh.
- Lifetime Achivement award for outstanding contribution to the promotion of Fashion Jewellery Accessories by EPCH Govt. of India.
- Naz-A-Banaras by Rashtriya Hindi New Paper for the Year 2010-11.
- IMM Bata Marketing award.

His further support/ re-appointment will be always in the interest and benefit of the company, in better way to manage and control.

Keeping in view of the same the Nomination and Remuneration Committee and the Board of Directors have recommended to re-appoint Mr. Ashok Kumar Gupta (DIN 00016661) as Managing Director for further five years with effect from 1 April 2019 on the following main terms and conditions-

- 1) As Managing Director he shall be responsible for the conduct and Management of the whole of the business of the Company.
- 2) As the Managing Director he shall be entitled to the following remuneration and perquisites –

i) SALARY:

A salary of Rs.200000/= (Rupees two lacs only) per month.



ii) PERQUISITES :

In addition to the above, the **Managing Director** shall be entitled to the following perquisites

a. **REIMBURSEMENT OF MEDICAL EXPENSES:**

Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of three years, as per Rules of the Company. For the above purpose, "Family" includes spouse, dependent children and parents.

b. **PERSONAL ACCIDENT INSURANCE:**

Personal accident insurance cover of an amount, the annual premium of which does not exceed Rs. 15,000.

c. **USE OF CAR AND TELEPHONE:**

Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

d. **REIMBURSEMENT OF EXPENSES:**

Reimbursement of entertainment, travelling including out of India and all other expenses incurred for the business of the Company, as per Rules of the Company.

The copies of relevant resolution of the Board and other relevant documents concerning with re-appointment of Mr. Ashok Kumar Gupta is available for inspection by Members at the registered office of the Company during any working day till the date of AGM.

Mr. Siddharth Gupta, CEO & Managing Director and Ashok Kumar Gupta are interested with this resolution and no other directors are interested with this resolution.

The Board recommends this resolution for your approval.

By Order of the Board of Directors
For BANARAS BEADS LIMITED,

Place : VARANASI
Date : 31.05.2018

(R.K.SINGH)
Company Secretary



DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the **38th Annual Reports** together with the Audited Accounts of the Company for the year ended on 31st March' 2018.

FINANCIAL RESULTS:

	2017-2018	2016-2017
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	2377.92	2732.46
Net Profit Before Taxation	231.82	281.06
Net Profit after taxation	138.28	166.89
Balance of Profit & Loss Account B/F	1296.06	1174.06
APPROPRIATIONS:		
Transfer to General Reserve	0.00	15.00
Dividend Paid	66.36	0.00
Tax on Dividend paid	13.51	7.07
Taxes of earlier Years	0.19	22.82
Balance of Profit & Loss Account C/F	1354.28	1296.06

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby state and confirm -

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently except as required by accounting standards and other applicable law(s) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017-18.

ADOPTION OF IND AS:

The company has adopted Ind AS from the current financial year and accordingly figures of 31.03.2017 and 01.04.2016 are re-stated. Details of implication of first time adoption of Ind AS has been given in notes on accounts.

OPERATION:

During the year turnover of your Company decreased in the comparison of previous year due to recession in global demand of glass beads, handicrafts etc.

DIVIDENDS:

Based on the Company's performance during the year 2017-18, the Board of Directors decided not to recommend dividend.

SETTLEMENT OF MANAGEMENT DISPUTES:

The Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order dt. 04.07.2007 and 03.08.2007 in the matter of C.P. No. 14/99, CP No. 14/111/1999, 15/111/1999 and 1/111/2001. The said SLP finally has been decided by Hon'ble Supreme Court on 11.04.2018. The Hon'ble Supreme Court has dismissed the appeals filed by Mr. Ajit Kumar Gupta and others group of small shareholders without any direction, the content of said order is as under-

ORDER

"We have heard learned counsel for the parties and perused the record. We do not find any merit in these appeals which are here by dismissed."

By said order of Supreme Court, the two decade old disputes between the management has finally legally resolved. There is no financial impact of said present order of Hon'ble Supreme Court to the company.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) is presented in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of section 149 of the Act, Mr. Ashok Kumar Kapoor, Mr. Praveen Anand Singh, and Mr. Tanmay Deva were appointed as independent directors at the annual general meeting of the Company held on August 13, 2015. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Shri Ashok Kumar Gupta retires by rotation and being eligible has offered himself for re-appointment as director.

Further the tenure of Mr. Ashok Kumar Gupta as Managing Director will be expired on 31.03.2019. Keeping his association and benefit to the company the Nomination and Remuneration Committee and the Board of Directors have recommended to re-appoint Mr. Ashok Kumar Gupta (DIN 00016661) as Managing Director for further five years with effect from 1 April 2019.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees to attend the meetings of the Company.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Ashok Kumar Gupta, Chairman & Managing Director, Mr. Siddharth Gupta, Chief Executive Officer and Managing Director, Smt. Shalini Chandra, Executive Director, Mr. Jai Singh, Chief Financial Officer and Mr. R.K. Singh, Company Secretary. There has been no change in the key managerial personnel during the year.

BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

AUDITORS AND AUDITOR REPORT:

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s G D Dubey & Associates, Chartered Accountants (Firm Registration number 009836C), were appointed as statutory auditors from the conclusion of the thirty seven Annual General Meeting (AGM) held on September 28, 2017 till the conclusion of the forty two AGM of the Company in the year 2022, subject to the ratification of their appointment at every AGM, if required under law. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for this AGM.

SECRETARIAL AUDITOR:

The Board has appointed M/s Ajay Jaiswal & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March 2018 is annexed herewith marked as **Annexure -I** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



RISK MANAGEMENT

The board of directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Returns [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014] as on the financial year ended on 31.03.2018 is attached as **Annexure- II** with this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as under:

- a) **Conservation of Energy :**
The operations of the Company involve low energy consumption. The solar power plant of 150 KVA is properly working and saving grid electricity. During the year 191353.38 KWH power generated and approx. 35000 KWH transferred to UP electricity board by this way approximately saving of Rs. 20.00 lacs made to the company against electric charges.

The other adequate measures are being taken to conserve the energy.
- b) **Technological Absorption:**
The Company has imported machines from China and Czech Republic to upgrade its technological inputs for its products. However presently company has no collaboration arrangement with any foreign organization.
- c) **Foreign Exchange Earning and Outgo:**
The actual foreign exchange earnings (inflow) of the Company during the financial year has been Rs 1150.33 lakhs from Exports of Glass Beads, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs. 113.71 lakhs for the import of materials, foreign traveling expenses and other sales promotional activities.

CORPORATE GOVERNANCE:

Corporate Governance Report, Management Discussion and Analysis statement and Business Responsibility Report and a certificate from the Auditors confirming compliance are annexed herewith to this report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

NUMBER OF MEETING OF BOARD

Four Board Meetings were held during the F.Y. on 25th May' 2017, 27th July, 2017, 26th October , 2017, 25th January, 2018.

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS U/S 149 (6).

All the Independent Directors have given their declaration as per Section 149(7) that they meet the criteria of independence as provided in section 149(6) of the Companies Act 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:-

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31.03.2018, the board consists of 6 members, three of whom are executive or whole-time directors including one woman and three are independent directors.

The policy of the company on directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of section 178 of the Companies Act, 2013. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

FIXED DEPOSITS FROM PUBLIC:

The Company have not accepted any fixed deposits and as such, no amount of principal interest was outstanding as of the balance sheet date.

FINANCE

The Company has taken limit from Yes Bank of Rs. 1500.00 lakhs and the amount of loan outstanding as on 31.3.2018 was Rs.190.30 lakhs.

DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013.

Loans given and Investments made are given under the respective heads of the Balance Sheet.

No Corporate Guarantees given by the Company in respect of loans as at 31st March, 2018.